PET 14 Libya (E)

Department of State

# TELEGRAM

EXCISE

SECRET 76Z

379

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 8/7/81
PORTIONS DENIED AS INDICATED

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53 47
ACTION E-04

INFO OCT-01 SS-20 AF-05 NSC-10 NSCE-00 INR-07 CIAE-00
NSAE-00 PM-03 NEA-08 OEP-01 EUR-12 L-02 PRS-01 RSR-01
RSC-01 /076 W

067296

R 131436Z OCT 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 7008
INFO AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY TEHRAN

S E C R E T TRIPOLI 2435

LIMDIS

DEPT PASS CAIRO

SUBJ: [redacted] CONSEQUENCES OF LIBYAN PRICE SETTLEMENT B4

REF: KUWAIT 905 (NOTAL)

1. WHILE IN TRIPOLI FOR RECENT PRICE NEGOTIATIONS WITH LARG, [redacted] EXPRESSED TO EMBOFF VIEW THAT B4
KUWAIT WOULD BE FIRST AMONG PERSIAN GULF PRODUCERS TO ACHEIVE POSTED PRICE INCREASE, ALTHOUGH IRAN WAS FIRST TO STAKE CLAIM, AND OBSERVED THAT LIBYA WAS LIKELY TO TRY TO SET PACE IN OPEC FOR SOME TIME TO COME AS PART OF GENERAL MOVE TOWARD GREATER PROMINENCE IN AREA AFFAIRS. [redacted] B4
[redacted] HIS VIEWS ARE WORTH CONSIDERING.

2. WITH RESPECT TO KUWAIT, [redacted] B4, B1

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[redacted]

3. FYI [redacted] END FYI. B1, B4

4. IN DISCUSSING IRAN, [redacted] B4

4. [redacted] EXPRESSED CONCERN ABOUT LIBYA'S FUTURE ROLE IN OPEC. HE THOUGHT LIBYA WOULD ATTEMPT TO EXERCISE LEADERSHIR IN OPEC AND CONSEQUENTLY AGITATE FOR OTHER MEMBERS TO FOLL ITS LEAD, NOT ONLY ON PRICES AND TAXES BUT PERHAPS ON OPERATIONAL CONTROLS AS WELL. (WE NOTE CAIRO 2302 INDICATES UAR MAY BE WILLING TO SUPPORT SUCH ROLE FOR LIBYA AMONG ARAB PRODUCERS.) [redacted] VIEWED PROSPECTIVE LIBYAN CLAIM TO LEADERSHIP AMONG ME AND AFRICAN OIL PRODUCERS AS ASPECT OF LIBYA'S ASSERTIVENESS AND DRIVE FOR AREA PROMINENCE, ESPECIALLY IN POST-NASSER ERA. [redacted] UNSPOKEN CONCLUSION WAS THAT THIS COULD ONLY MEAN MORE TROUBLE FOR OIL COMPANIES AND, WITH RESPECT TO PALISTINE PROBLEM, WESTERN GOVERNMENTS. GP-4 PALMER B4, B4, B4

NOTE: NOT PASSED CAIRO BY OC/T.

DECLASSIFIED

SECRET